

## **Public Section**

### **I. Introduction**

UniCredit S.p.A. (“UC” and together with its subsidiaries, “UniCredit”) is a universal bank that performs banking activities in Europe. Its core markets are Italy, Germany, Austria and the Central and Eastern European countries. Its shares are listed on the Italian Stock Exchange, the Frankfurt Stock Exchange, and the Warsaw Stock Exchange. UniCredit has strong roots in 17 European countries and an overall international network in approximately 50 markets, with over 140,000 employees, 7,500 branches, and approximately \$891 billion of total assets as of June 30, 2016. UC’s largest direct and indirect, wholly-owned, non-US subsidiaries include UniCredit Bank AG (“UCB”), UniCredit Bank Austria AG, and Pioneer Global Asset Management S.p.A. (“PGAM”). In the US, UniCredit operates through US subsidiaries and branches of such entities.

UniCredit has been identified by the Financial Stability Board (“FSB”) as a globally systemically important financial institution. As established by the FSB, UniCredit has been allocated a dedicated Crisis Management Group (“CMG”), including the UniCredit Home and key Host Authorities from the relevant jurisdictions. Since the establishment of the Single Supervisory Mechanism (“SSM”) in Europe in November 2014, the European Central Bank (“ECB”) is the Home Supervisor of the UniCredit Group, with direct supervision in the Euro-zone area (Banking Union), taking the previous role of Bank of Italy (also within the CMG).

According to the Directive 2014/59 of the European Parliament and of the Council (Banking Recovery and Resolution Directive – “BRRD”), UniCredit is responsible for preparing and submitting to the ECB the UniCredit’s group-wide recovery plan and for providing the required information to the Single Resolution Board (within the Single Resolution Mechanism – “SRM” – established in Europe since 2015), which is in charge of the UniCredit group-wide Resolution Plan together with the National Resolution Authorities of each EU country.

In this set-up, the ECB received the UCG 2016 Group Recovery Plan at the end of September 2016 and the assessment is on-going within the College of Supervisors (EU area Supervisors), which is expected to issue a joint decision by March 2017.

Before the SSM and SRM set-up, UniCredit prepared and submitted annually to the Bank of Italy a group-wide recovery plan since 2011. This US Resolution Plan assumes that regulators would attempt to coordinate and cooperate with one another when cooperation does not directly conflict with the goals and directives of the local resolution regimes. Such cooperation ideally would include cooperation agreements pursuant to which regulators would share information and attempt to minimize the impact of failure in each jurisdiction.

This Public Section of the resolution plan (the “US Resolution Plan”) is being

filed pursuant to 12 CFR part 243 and 12 CFR part 381 (together, the “Regulation”).<sup>1</sup> The Regulation defines a “Covered Company” to include a “foreign bank or company that is a bank holding company or is treated as a bank holding company . . . and that has [USD] 50 billion or more in total consolidated assets.”<sup>2</sup> Because UC is treated as a bank holding company, has consolidated assets exceeding USD 50 billion, and is the top-tier company of UniCredit, UC is a Covered Company under the Regulation.

The Regulation requires a Covered Company to periodically submit to the Board of Governors of the Federal Reserve System (the “Federal Reserve”) and the Federal Deposit Insurance Corporation (the “FDIC”), a plan for the company’s rapid and orderly resolution in the event of material financial distress or failure. The Regulation requires that such resolution plan provide a strategic analysis by the Covered Company of how it can be resolved under the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*) or other applicable insolvency regime in a way that would not pose systemic risk to the United States financial system. UC, on behalf of itself and its subsidiaries, submits this public section of the US Resolution Plan in compliance with the Regulation. Except as otherwise specifically required by the Regulation, the information contained in this US Resolution Plan relates to the “subsidiaries, branches and agencies, critical operations and core business lines, as applicable, that are domiciled in the United States or conducted in whole or material part in the United States.”<sup>3</sup>

In a letter dated June 10, 2016 the FDIC informed UniCredit that the “Agencies jointly determined . . .to reduce the informational content that the Covered Company will be required to provide in its plan submission due by December 31, 2016, 2017, and 2018 (“Reduced Plans”).

In accordance with the “Conditions for Reduced Plans” UniCredit would like to note that it has not (1) made any material changes to its resolution plan or (2) taken any actions since its prior resolution plan to improve the effectiveness of its resolution plan.

#### **A. Names of Material Entities**

A “Material Entity” is defined in the Regulation as “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.”<sup>4</sup> While the Material Entities listed below have been designated for resolution planning purposes, such entities do not represent the universe of legal entities that constitute UniCredit and contribute to its success.

For this US Resolution Plan, UC has designated the following subsidiaries and

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<sup>1</sup> Capitalized terms used but not defined in this Section I shall have the meanings ascribed to such terms in the Regulation.

<sup>2</sup> See 12 CFR part 243; 12 CFR part 381.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

branches as Material Entities:

- UniCredit S.p.A, New York Branch (“UC NY”)
- UniCredit Bank AG, New York Branch (“UCB NY”)
- Pioneer Investment Management, Inc. (“Pioneer Investment”)
- UniCredit Capital Markets, LLC (“UCCM”) (Broker/Dealer)

1. UC NY

UC NY is a New York licensed state branch of UC and is subject to supervision and regulation by the New York State Department of Financial Services (“NYSDFS”) and the Federal Reserve. UC NY is primarily engaged in the following core business lines, which are discussed below: European Corporates and Treasury.

2. UCB NY

UCB NY is a New York licensed state branch of UCB and is subject to supervision and regulation by the NYSDFS and the Federal Reserve. UCB NY is primarily engaged in the following core business lines, which are discussed below: European Corporates, US Corporates, Integrated Credit Trading, Treasury, Global Transaction Banking, and Project Finance.

3. Pioneer Investment

Pioneer Investment is a subsidiary of PGAM. PGAM is a global asset management holding company and is a wholly-owned subsidiary of UC. Pioneer Investment is primarily engaged in asset management.

4. UCCM

UCCM is a US Broker Dealer registered under the SEC and regulated by FINRA (Financial Industry Regulatory Authority). Products include Fixed Income distribution of foreign securities to US institutional qualified investment buyers (QIBs), US Underwritings for both Debt and Equity issues as well as coordinate stock buybacks for corporate customers.

## **B. Description of Core Business Lines**

“Core Business Lines” are defined in the Regulation as “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit,

or franchise value.”<sup>5</sup>

UC identified six Core Business Lines for purposes of this US Resolution Plan:

- European Corporates;
- US Corporates;
- Financial Institutions Group;
- Treasury/Rates;
- and
- Asset Management.

1. European Corporates

The European Corporates Core Business Line operates through UC NY and UCB NY and is responsible for relationships with US subsidiaries of European clients of UC, UCB, and UniCredit Bank Austria AG. The European clients are typically Italian, German, or Austrian companies with US subsidiaries. European Corporates provides a range of commercial banking products and services.

2. US Corporates

The US Corporates Core Business Line operates through UCB NY and is responsible for managing the overall relationship that UniCredit has with large multinational, non-financial companies that are based in the US. The client base is primarily large US multinational, non-financial companies that are in the Fortune 500 and have an interest or presence (e.g., a subsidiary) in UniCredit’s home markets in Europe (e.g., Italy, Germany, Austria, and the Eastern European countries). UCB NY works closely with UniCredit’s businesses and operations worldwide in order to facilitate the provision of a broad range of services to such clients. Leveraging UniCredit’s global footprint enables a range of services to be provided to the client, both in the US and outside the US. US Corporates provides a range of commercial banking products and services.

3. Financial Institutions Group

The Financial Institutions Group (FIG) acts as central point-of-entry for all banks and other financial institutions within UniCredit Group Strategic Business Area (SBA), Corporates & Investment Banking (CIB) and Private Banking. FIG provides holistic coverage for key clients across the globe, facilitating a multi-product, cross-divisional and cross-regional client interaction.

4. Treasury

The Treasury Core Business Line operates through UC NY and UCB NY and is responsible for the liquidity management for UC NY and UCB NY, providing USD liquidity for

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<sup>5</sup> *Id.*

UniCredit, and conducting fixed income trading and repurchase transactions.

## 5. Asset Management

This Core Business Line operates through Pioneer Investment and is primarily engaged in providing investment advisory services to domestic and foreign pooled investment vehicles, including the Pioneer Family of Mutual Funds. Revenue is largely dependent on the total value and composition of assets under management, which include domestic and international equity and debt portfolios.

### **C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources**

A summary of UniCredit's financial information is set forth in its Consolidated First Half Financial Report as of June 30, 2016, which is available at UniCredit's website.<sup>6</sup>

Furthermore, UC abides by the capital and risk management guidelines established by the Basel Committee on Banking Supervision as implemented by the Bank of Italy. A copy of UC's Pillar III disclosure as of June 30, 2016, which provides information on UniCredit's capital structures, risk exposures, risk management processes, and overall capital adequacy, is available at UniCredit's website.<sup>7</sup>

### **D. Description of Derivative and Hedging Activities**

For a detailed description of derivative and hedging activities of UC, please see the UniCredit 2015 Consolidated Reports and Accounts for the fiscal year ended December 31, 2015 (the "Annual Report"),<sup>8</sup> including: Notes, Part A.2 (The Main Items of the Accounts, Held-for-Trading Financial Assets & Hedge Accounting) on pages 157-1 & 163-6; Notes, Part B, Assets, Section 8 (Hedging Derivatives) on page 212; Notes, Part B, Liabilities, Section 6 (Hedging Derivatives) on page 259; Notes, Part E, Section 1 (Credit Risk, OTC Trading Derivatives with Customers) on pages 317-400; and Notes, Part E, Section 2 (Market Risk, Derivatives Instruments) on pages 400-433.

### **E. Memberships in Material Payment, Clearing and Settlement Systems**

Certain entities in UniCredit are members of numerous payment, clearing and settlement systems ("Financial Market Utilities" or "FMUs"). In connection with some of those memberships, such entities may be required to pay a share of the financial obligations of another

<sup>6</sup> < <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2016/2Q16/Consolidated-First-Half-Financial-Report-as-at-June-30-2016.pdf> >.

<sup>7</sup> < <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/third-pillar-basel/2016/Disclosure-by-Institutions-according-to-Regulation-%28EU%29-No.-575-2013-as-at-June-30-2016.pdf>.

<sup>8</sup> <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2015/4Q15/2015-Consolidated-Reports-and-Accounts.pdf>.

member who defaults, or otherwise be exposed to additional financial obligations as a result. While the membership rules vary, obligations generally would arise only if the FMU had exhausted its resources. UniCredit considers the probability of a material loss due to such obligations to be remote. The table below provides material FMU memberships used by UC NY, UCB NY, or Pioneer Investment.

FMU	Description	Material Entity
Federal Reserve Funds Transfer System (Fedwire)	Payments	UC NY, UCB NY
Automated Clearing House (ACH)	Electronic funds transfer system	UC NY, UCB NY
Federal Reserve Check Clearing System	Nationwide check clearing house	UC NY, UCB NY
Society for Worldwide Interbank Financial Telecommunications (SWIFT)	Interbank financial telecommunication (financial messaging)	UC NY, UCB NY, Pioneer Investment

## F. Description of Foreign Operations

UniCredit is a leading and geographically diversified European banking group with strong roots in 17 European countries and an overall international network in approximately 50 markets. The below tables provide a summary of UniCredit's international presence as of June 30, 2016.<sup>9</sup>

### UniCredit Branches by Region<sup>10</sup>

Region	Percentage
Italy	48%
Central and Eastern Europe	30%
Poland	12%
Germany	7%
Austria	2%
Others	1%

<sup>9</sup> < [https://www.unicreditgroup.eu/en/unicredit-at-a-glance.html?topmenu=INT-TM\\_ABO0\\_en052](https://www.unicreditgroup.eu/en/unicredit-at-a-glance.html?topmenu=INT-TM_ABO0_en052).

<sup>10</sup> . Figures do include Koç Financial Group calculated at 100%.

**UniCredit Employees by Country<sup>11</sup>**

Region	Percentage
Italy	33%
Central and Eastern Europe	35%
Germany	12%
Poland	13%
Austria	6%
Others	1%

**UniCredit Consolidated Total Revenues by Region<sup>12</sup>**

Region	Percentage
Italy	48%
Germany	19%
Central and Eastern Europe	18%
Austria	8%
Poland	7%

**UniCredit Consolidated Total Revenues by Business Lines**

Region	Percentage
Commercial Banking Italy	33%
Corporate & Investment Banking <sup>13</sup>	18%
Central and Eastern Europe Division	19%
Commercial Banking Germany	10%
Poland	8%
Commercial Banking Austria	7%
Asset Management	3%
Asset Gathering	2%

**G. Material Supervisory Authorities****1. Foreign Regulators**

UC is a corporation organized under the laws of the Republic of Italy and is regulated by the Bank of Italy (*Banca D'Italia*). UCB is a corporation organized under the laws of the Federal Republic of Germany and is regulated by the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). The European Central

<sup>11</sup> FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures follow the introduction of IFRS 10 and IFRS 11. Figures do include Koç Group (Turkey).

<sup>12</sup> These figures refer to Condensed Income Statement.

<sup>13</sup> Division which includes the former divisions Corporate Banking and MIB.

Bank is the Home Supervisor of the UniCredit Group while the Single Resolution Board is in charge of the UniCredit Group Resolution Plan.

## 2. United States

As a result of its operations in the United States, UniCredit is subject to extensive federal and state banking and securities supervision and regulation. UC NY and UCB NY are supervised and regulated by the NYSDFS and the Federal Reserve. Pioneer Investment is supervised and regulated by the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the National Futures Association. UCCM is supervised and regulated by FINRA and the SEC.

### H. **Principal Officers**

UC employs a traditional management and control system that is based on two corporate bodies appointed at its shareholders' meeting: the Board of Directors, which is responsible for the strategic supervision and management of the company, and the Board of Statutory Auditors, whose function is to supervise its administration. An Executive Management Committee has been established in order to ensure the effective steering, coordination, and control of UniCredit's business, as well as effective alignment of UC with Unicredit's different businesses and geographies. Legal accounting supervision is entrusted to an external auditing firm, in compliance with relevant current laws. Additional detail regarding UC's corporate governance is set forth in its "Report on Corporate Governance and Ownership Structures.

The table below identifies the members of UC's Board of Directors.<sup>14</sup>

Name	Title
Giuseppe Vita	Chairman
Vincenzo Calandra Buonauro	Deputy Vice Chairman
Luca Cordero di Montezemolo	Vice Chairman
Fabrizio Palenzona	Vice Chairman
Jean Pierre Mustier	Chief Executive Officer
Mohamed Hamad Al Mehairi	Director
Sergio Balbinot	Director
Henryka Bochniarz	Director
Alessandro Caltagirone	Director
Martha Dagmar Boeckenfeld	Director
Cesare Bioni	Director
Clara C. Streit	Director
Elena Zambon	Director
Lucrezia Reichlin	Director
Paola Vezzani	Director
Alexander Wolfgring	Director
Anthony Wyand	Director

<sup>14</sup> [https://www.unicreditgroup.eu/en/governance/board-of-directors.html?topmenu=INT-TM\\_GOV3\\_en025](https://www.unicreditgroup.eu/en/governance/board-of-directors.html?topmenu=INT-TM_GOV3_en025)

Name	Title
Gianpaolo Alessandro	Secretary

The table below identifies the members of the Board of Statutory Auditors.<sup>15</sup>

Name	Title
Pierpaolo Singer	Chairman
Benedetta Navarra	Statutory Auditor
Angelo Rocco Bonisconi	Statutory Auditor
Enrico Laghi	Statutory Auditor
Maria Enrica Spinardi	Statutory Auditor

The table below identifies the members of the Executive Management Committee.<sup>16</sup>

Name	Title
Jean Pierre Mustier	Chief Executive Officer
Gianni Franco Papa	General Manager
Oliver Khayat	Co-Head of CIB Division
Gianfranco Bisagni	Co-Head of CIB Division
Robert Zadrazil	Country Chairman Austria
Paolo Cornetta	Head of Group Human Resources
Massimiliano Fossati	Group Chief Risk Officer
Carlo Appetiti	Group Compliance Officer
Alessandro Foti	Head of Asset Gathering
Luigi Lovaglio	Country Chairman Poland
Marina Natale	-Head of Strategy& Business Development, M&A
Carlo Vivaldi	Head of Central and Eastern Europe Division
Giovanni Ronca	Co-Head Group Italian Network
Andrea Casini	Co-Head Italy
Gianpaolo Alessandro	Head of Legal
Theodor Weimer	Country Chairman Germany
Francesco Giordano	Co-Chief Operating Officer
Ranieri De Marchis	Co-Chief Operating Officer
Giordano Lombardo	Head of Asset Management

In the US, creation of the US Resolution Plan has been led by Giuseppe Morisi, Branch Manager and Chief Administrative Officer of UC NY and UCB NY, and Kathrin Rauschnabel, Head of Legal New York and Managing Director, UCB NY..

<sup>15</sup> [https://www.unicreditgroup.eu/en/governance/board-of-statutory-auditors.html?topmenu=INT-TM\\_GOV5\\_en027](https://www.unicreditgroup.eu/en/governance/board-of-statutory-auditors.html?topmenu=INT-TM_GOV5_en027)

<sup>16</sup> [//www.unicreditgroup.eu/en/governance/management.html?topmenu=INT-TM\\_GOV4\\_en026](https://www.unicreditgroup.eu/en/governance/management.html?topmenu=INT-TM_GOV4_en026)

**I. Description of Material Management Information Systems**

UniCredit uses information technology and management information systems to support a variety of business functions. These systems include applications to conduct business activities across UniCredit's financial products, as well as generate accounting, financial, operational, regulatory and risk management reports.

UniCredit has extensive reporting capabilities that allow for generation of key reports that are produced at defined frequencies during the normal course of business. In the preparation of this US Resolution Plan, UniCredit identified the management information systems and applications used for accounting, financial, operational, regulatory and risk management reporting with respect to UniCredit's US operations.

**J. High-Level Description of Resolution Strategy**

In the US, the Federal Reserve and FDIC require UC to develop a US Resolution Plan that meets the requirements of the Regulation. The below strategy, including any assumptions and conclusions, is with respect to UniCredit's US Resolution Plan and its US operations.

In a resolution scenario, the US branches are so integrated into UC and UCB (and between themselves) that the ability to separately divest or reorganize them apart from UC and UCB is highly unlikely. Therefore, UC has assumed for purposes of this US Resolution Plan that, except for Pioneer Investment and the Asset Management Core Business Line, it would be unable to sell any of its US Material Entities or Core Business Lines, individually or together, as a going concern. Accordingly, for purposes of the US Resolution Plan, the resolution strategy of UC is to sell Pioneer Investment and the Asset Management Core Business Line and to wind down operations of all of its other US Material Entities and Core Business Lines in a manner coordinated and integrated with the resolution of UC in Italy and/or any other involved country.